

CHAPTER 5

PROCUREMENT

In previous chapters, you have examined how a COSAL relates to a ship, how each command receives needed funds and related accounting, and how needed reports are dispersed to the various commands. In this chapter, you will learn some of the methods available for procuring the necessary material to manage the operation of your ship or unit.

REQUISITIONING

One definition of procurement is to get hold of or obtain. That is essentially what you must do to provide effective supply management for your ship. When parts or other supplies are needed, you must get hold of new stocks. The two basic methods by which you can get the materials and services you need are submission of requisitions to a shore activity or another ship and purchase direct from a commercial source. You normally will procure the required material by submitting a requisition to a Navy supply activity. If you cannot get the required material through normal supply channels, you can go direct to a commercial source on the open market, but only within the subject limitations in the *Store and Fleet Small Purchase and Other Simplified Purchase Procedures*, NAVSUPINST 4200.85.

DISTRIBUTION CHANNELS AFLOAT

Basically, all stock points have as their ultimate mission the support of the fleet. Taking up the problems of distribution where shore supply points leave off are the fleet service forces. The service forces have the responsibility for establishing such supply activities within the fleet as are necessary to make efficient distribution of materials. They are responsible for the implementation and enforcement of policies established by the systems commands and bureaus on the distribution of materials and also for the promulgation of additional distribution controls within the fleet.

Also affecting the distributive system afloat are two additional controlling authorities—TYCOMs and local commanders. TYCOMs may prescribe controls over the procurement and stocking of material in ships under their command and may provide facilities for the supply of material to these ships. Local commanders, such as area commanders and senior officers present afloat, set up distribution controls over stock available in their areas as conditions require. Each of these authorities is responsible for enforcing the distribution controls of higher authority.

The controls of bureaus, service forces, TYCOMs, and local commanders are established in fleet operation orders and instructions. Supplementary directives on special material, on special circumstances, and for localized areas appear in bureau and fleet instructions and in local directives. Supply officers afloat must maintain comprehensive and current files on these instructions for information and compliance.

SOURCE OF SUPPLY

Ships normally will submit requisitions to the supply activities specified in current operational orders and instructions issued under the direction of FLTCOMs. You should thoroughly familiarize yourself with these orders and directives. Three commonly used references that describe requisitioning channels are as follows:

- *Atlantic Fleet Requisitioning Guide*, CINCLANTFLTINST P-4210.1
- *Pacific Fleet Requisitioning Guide*, CINCPACFLTINST 4235.3
- *Consolidated Afloat Requisitioning Guide Overseas* (CARGO), NAVSUP P-4998

When requisitioning instructions do not specify the supply source, ships should submit requisitions to the nearest Navy ashore supply activity; for example, the nearest NSC, NSD, or NSY.

Ships that are deployed overseas should get their supplies from units of the combat logistics force (CLF) ships, outlying bases, CONUS distribution points, or advanced bases. These sources are normally detailed in the appropriate requisitioning guides mentioned above.

General Services Administration

To prevent loss of demand and inadequate stock of General Services Administration (GSA) materials at Navy stock points, ships are not authorized to use a GSA self-service store or customer supply center (CSC) as a supply source. The only exception is for emergency requirements that cannot be readily obtained from a Navy supply source. If emergency requirements must be obtained from a self-service store or CSC, a DD Form 1155 should be used as the procurement document. The document will be prepared and submitted following the *Navy Acquisition Procedures Supplement (NAPS)*, NAVSO P-3670. Neither GSA cash cards nor credit cards are authorized to be used by ships.

Defense Reutilization and Marketing Service

Excess material that has been turned in to defense reutilization and marketing offices (DRMOs) may be drawn by Navy units having either a specific allowance or a mission requirement for such material. Strict controls must exist for requisitioned material. All screening for and requisitioning of DRMO material must be authorized by a supply officer. Excess property reutilized by requisition from a Navy activity should be subject to normal custody and inventory control. If material is to be picked up from a DRMO, there should be a proper division of functional responsibilities. For example, the person picking up the material should not be the same person accountable for the material. Additionally, DRMOs should distribute confirmation copies of requisitions to your ship's accountable property official. The requisitioning of such material should only be allowed to meet your ship's needs. This material should not be redistributed further except by documented transfer. You must refrain from establishing separate facilities for excess property.

PROCUREMENT FROM SERVMARTs

A SERVMART is a self-service store that is operated by an ashore supply activity to provide

a ready supply of relatively low-cost items frequently required by customers in the area. SERVMARTs also stock certain items of medical and dental supplies. This material is stored in a segregated area. The only individuals that can pick up this material are medical or dental personnel who are designated by an official letter of authorization signed by the commanding officer or a designated representative. All SERVMARTs issue a SERVMART shopping guide that lists the cognizance symbol, NSN, noun name, unit of issue, unit price, and storage location of each item stocked. The self-service feature of SERVMARTs and the simplified requisitioning procedures that will be explained in subsequent paragraphs enable an ashore supply activity to realize substantial cost savings. This concept permits customers to obtain material quickly without preparing and submitting a separate requisition for each item needed. The range of material available, ease of acquisition, and ready convertibility to personal use of such items requires you to rigorously monitor and control SERVMART shopping.

Requirements

A SERVMART Shopping List (SSL), NAVSUP Form 1314 (fig. 5-1), is used to list multiple items intended to be procured from a SERVMART. The use of the SSL is required in all procurement actions from a SERVMART. The SSL is used to help prepare either the DD Form 1348 or NAVSUP Form 1250-1. These are the only procurement forms authorized for use at a SERVMART.

When a work center or department wants to procure electrical or electronic items, you should caution your shoppers before they purchase these items. Before you authorize the shoppers to buy this equipment, you should make them aware of the limitations in the use of any ungrounded power supply. When you do authorize the purchase of these items, the shoppers must present these items upon return to the ship either to the electrical or electronic shop for approval and tagging per existing shipboard electric safety regulations.

Use of Electronic Point of Sale II Equipped Stores

All NSC and NSD SERVMARTs are equipped with Electronic Point of Sale (EPOS) II. One of the by-products of EPOS that is available upon request is the customer items

SERVMART SHOPPING LIST (4491) NAVSUP FORM 1314 (REV. 4-84) S/N 0108-LF-501-3142				MATERIAL CATEGORY		PAGE	OF	JULIAN DATE
SHIP/ACTIVITY				REQUISITION NO.			FUND CODE	
ITEM NO.	COG SYM AND NSN	DESCRIPTION	U/I	QTY	UNIT PRICE	EXTENSION	REQUIRING DEPT.	
1								
2								
3								
4								
5								
6								
7								
8								
9								
0								
1								
2								
3								
4								
5								

TYPED OR PRINTED NAME AND RANK OR GRADE OF AUTHORIZED SHOPPER _____

DISTRIBUTION: WHITE - Shopper's Copy, YELLOW - Mail to Ship/Activity, PINK - Store's Copy (Optional), GOLD - Supply Officer's Copy

I CERTIFY THAT THE PURCHASE OF MATERIALS LISTED HEREON IS NECESSARY FOR THE OFFICIAL BUSINESS OF THE NAVY.
REQUESTED BY (FOR DIRECT TURNOVER MATERIAL): _____ APPROVED BY: _____

Authorized Signature

Supply Officer's Signature

UPON RETURN TO THE SHIP/ACTIVITY, THE FOLLOWING MUST BE COMPLETED: RECEIVED, INSPECTED AND VERIFIED ON:

DATE _____ BY: _____
Typed or Printed Name and Rank or Grade and Signature

PURCHASE SUBTOTAL

PLUS 10% FOR PRICE VARIATIONS

PURCHASE TOTAL*

DD FORM 1348/NAVSUP FORM 1250-1
MAXIMUM AUTHORIZED

*MAY NOT EXCEED DOLLAR LIMIT ON
DD FORM 1348 OR NAVSUP FORM 1250-1

UNIT MAILING ADDRESS

Figure 5-1.—SERVMART shopping list (4491) blank.

purchased report (CIPR). The CIPR itemizes all material and all controlled items purchased by your activity over a period of time. There are two reports—one itemizes all controlled items and the other itemizes all other material purchased by your command. See figure 5-2. Both reports are printed using the format described below:

Report No. 0020	
Date of Transaction	Checkout Number
Transaction Sequence No.	Operator ID Document
Number/Supplyment Address	Fund Code
Signal Code	Time of Transaction
NIIN	Nomenclature
Quantity	Unit of Cost
Total Amount Charged for Item	

Maintaining an audit trail of government funds in today’s Navy cannot be overemphasized. Cash register tapes, when available, will be attached to the SSLs. If tapes from EPOS II stores are lost, you can request a copy of the CIPR.

Documentation by Category

One SSL and one supporting DD Form 1348 or NAVSUP Form 1250-1, money value only (MVO), are required to be prepared for each category of material procured from a SERVMART. The material categories are listed as follows:

- Stock replenishment of consumables
- Stock replenishment of repairable
- DTO consumables
- DTO repair parts
- Equipage
- Medical and dental material (all cog 9L)
- Hull and structural (facilities) maintenance preservation material

Document Preparation

The SSL document for SERVMARTS is filled out in triplicate either by the work center (for DTO material) or by the stock record storekeeper to replenish any repair parts or consumables that you carry on board.

SERVMART SHIPPING LIST.— The SSL will be prepared, in triplicate, by the stock records storekeeper for each category of stock replenishment material that is to be procured from the SERVMART. The SSL may be prepared either by ball-point pen or typed. The SSL should be prepared as follows (refer to fig. 5-3):

<u>Data Element</u>	<u>Entry</u>
Material Category	Appropriate category should be identified.
Page____ of____	Self-explanatory.
Julian Date	To be filled in by requiring department.
Ship/Activity	Ship’s name and hull number.
Requisition No.	Leave blank requisition number to be entered by the requisitioning storekeeper.
Fund Code	Entered by the stock records storekeeper.
Item No.	NIIN
	Description
U/I	Self-explanatory.
Qty	
Unit Price	
Ext. Price	
Requiring Dept.	Shipboard storage location work center code.
Total	Sum of all extended prices.
Adjusted Total	Sum of total and 10 percent of total.
Certification	Name and signature of responsible official designated by requiring department head.

CUSTOMER CONTROLLED ITEMS PURCHASED REPORT

NSC Puget Sound Servmart STORE 1

REPORT 00020		CUSTOMER CONTROLLED ITEMS PURCHASED REPORT FOR N00				DATE 8295	PAGE 1
TRANS OPR ID	DI DOCUMENT	JOB/SUPPL	SIG FUND	TIME	NSN	NOMENCLATURE	QNTY UOI TOTAL
6725	SB	Z9E N0000000653713	A	K9	1000	01 144 8447 FLOPPY DISK 5¼	N/O -10 BX- 30.00
6711	SB	Z9E N0000000653714	A	K9	0935	01 182 8534 CALCULATOR TI 30	-4 EA -36.80
6699	SB	Z9E N0000000656920	A	K9	1031	00 162 2205 KNIFE POCKET FOUR BLADE	-6 EA -21.72
6704	SB	Z9E N0000000658050	A	K9	1311	00 550 9123 VACUUM CLEANER	-1 EA -105.00
				00 835 7210 BATTERY D DRY ALKAE95 N/O S/L -24	EA	-12.96	

CUSTOMER ITEMS PURCHASED REPORT

NSC Puget Sound Servmart STORE 1

REPORT 00020		CUSTOMER ITEMS PURCHASED REPORT FOR N00				DATE 8295	PAGE 49
TRANS OPR	DOCUMENT	JOB/SUPPL	SIG FUND	TIME	MIN	NOMENCLATURE	QNTY UOI TOTAL
1956	SB	N000000082943718	A	K9	1052	00 187 6489 BINDER 3RG 1" BLK 11 × 8	-36 EA -44.64
						00 247 6069 ENVELOPE BLANK KRAFT 9 × 12	-1 BX 14.50
						01 124 5660 PAPER PAD RULED 8 × 10 WHT N/O	-6 DZ -34.68
						00 243 1780 STAPLER HVY DUTY	-2 EA -13.42
						LL 000 0633 NOTEBOOK PCKT SZ SPIRL TOP	-10 EA -5.20
						00 530 1757 KNIFE PCKT MARLINSPIKE 2BLAD	-3 EA -24.45
						00 162 2205 KNIFE PCKT FOUR BLADE	-3 EA -10.86
						00 052 8698 FRAME PICTURE 8 × 10 WALNUT	-1 EA -2.02
						00 904 2663 TAPE ADHESIVE ¾ IN DBLBACK	-1 RO -2.84
						00 826 1876 TAPE EMBOS BLK 1/2 IN	-12 RO -2.04
						00 835 0443 MACHINE EMBOSING	-1 EA -3.74
						00 082 2661 LABEL AVERY WHT ¾ × 15/16	-1 BX -6.90

Figure 5-2.—Sample of customer items purchased report.

SERVMART SHOPPING LIST (4491)			MATERIAL CATEGORY		PAGE	OF	JULIAN DATE
NAVSUP FORM 1314 (REV. 4-84)			CONSUMABLES		1	1	3293
SHIP/ACTIVITY			REQUISITION NO.			FUND CODE	
USS GLOVER FF-1098			V17700-3293-0123			SC	
ITEM NO.	COG SYM AND NSN	DESCRIPTION	U/I	QTY	UNIT PRICE	EXTENSION	REQUIRING DEPT.
1	7530-00-290-0599	BOND PAPER	RM	10	3.61	36.10	SS01
2	7530-00-244-4035	CARBON PAPER	HD	5	1.69	8.45	SS01
3	7530-00-285-3090	WRITING PAPER	PG	10	2.84	28.40	SS01
4	7530-00-222-0078	MEMO BOOK	EA	20	.78	15.60	SS01
5	7530-01-072-2536	MANIFOLD GREEN	BX	5	4.74	23.70	SS01
6	7530-00-401-6910	MANIFOLD WHITE	BX	5	4.78	23.90	SS01
7	7530-01-072-2538	MANIFOLD YELLOW	BX	5	4.78	23.90	SS01
8	7920-00-240-2555	SPONGE	EA	10	.91	9.10	SS01
9	7930-00-515-2477	DETERGENT	GL	2	4.31	8.62	SS01
0	7930-00-559-9481	CLEANING COMPOUND	CN	5	1.49	7.45	SS01
1	7930-00-141-5888	WAX	CN	1	21.32	21.32	SS01
2	7930-00-266-7121	METAL POLISH	CN	5	2.01	10.05	SS01
3		TOTAL				216.09	
4							
5							

TYPED OR PRINTED NAME AND RANK OR GRADE OF AUTHORIZED SHOPPER JOHN A. DOE

DISTRIBUTION: WHITE - Shopper's Copy, YELLOW - Mail to Ship/Activity, PINK - Store's Copy (Optional), GOLD - Supply Officer's Copy

I CERTIFY THAT THE PURCHASE OF MATERIALS LISTED HEREON IS NECESSARY FOR THE OFFICIAL BUSINESS OF THE NAVY REQUESTED BY (FOR DIRECT TURNOVER MATERIAL):

APPROVED BY: John A. Doe John A. Doe
 Authorized Signature Supply Officer's Signature

UPON RETURN TO THE SHIP/ACTIVITY, THE FOLLOWING MUST BE COMPLETED: RECEIVED, INSPECTED AND VERIFIED ON:

DATE _____ BY _____
 Typed or Printed Name and Rank or Grade and Signature

UNIT MAILING ADDRESS

PURCHASE SUBTOTAL
PLUS 10% FOR PRICE VARIATIONS
PURCHASE TOTAL*
DD FORM 1348/NAVSUP FORM 1250-1 MAXIMUM AUTHORIZED
*MAY NOT EXCEED DOLLAR LIMIT ON DD FORM 1348 OR NAVSUP FORM 1250-1

Figure 5-3.—SERVMART shopping list (SSL).

Data Element

Item Number Column Structured to permit multipage use.

“LAST ITEM”

Entry

Must be entered immediately below last item ordered.

Remember that you need to fill out either a DD Form 1348 or a NAVSUP Form 1250-1 with the SSL. These forms should be filled in by the requisitioning storekeeper.

MONEY VALUE ONLY (MVO).— Upon receipt of the SSL forwarded by the stock records

DD Form 1348 Data
Block/Card Column(s)

Service designator
code, UIC, name, and
location of the supply
activity, plus SERV-
MART.

Entry

Ship's service designator code, UIC, name, and hull number.

A0A.

Document number.

Appropriate signal
code from appendix
14 of the NAVSUP
P-485.

Fund code for the category of material being procured.

Figure 5-4.—Money Value Only (MVO), DD Form 1348.

Figure 5-5.-Money Value Only (MVO), NAVSUP Form 1250-1.

DD Form 1348 Data
Block/Card Column(s)

Entry

L-S TOTAL COST LIMITATION and amount; the name, rank, and signature of the supply officer. (The total cost limitation will include the extended prices indicated in all NAVSUP Forms 1250-1 applicable to the same fund code, plus an additional 10 percent to provide for possible price increases.)

NAVSUP Form 1250-1 Data
Block/Card Column(s)

Entry

13-14 UIC/work center code.

18 Source code.

21 SERVMART.

24 LT.

25 1.

26 Dollar value.

27 MVO.

28 Fund code.

29-30 TOTAL COST LIMITATION and amount; the name, rank and signature of the supply officer. (The total cost limitation will include the extended prices indicated in all NAVSUP Forms 1250-1 applicable to the same fund code, plus an additional 10 percent to provide for possible price increases.)

DD Form 1348 Data
Block/Card Column(s)

Entry

1-3 A0A.

4-6 Routing identifier.

30-43 Document number,

51 Appropriate signal code from appendix 14 of the NAVSUP P-485.

52-53 Appropriate fund code.

The distribution of either the DD Form 1348 or NAVSUP Form 1250-1, after being signed by the supply officer, should be as follows:

Original—attached with original of the SSL and given to the person designated to pick up material.

Pink copy—sent to the stock records storekeeper to inform him or her of the requisition number to be entered on suspense copies; then discarded.

Green copy/hardback copy—held in suspense by the OPTAR records storekeeper pending receipt of the applicable SERVMART adding machine tape.

Direct Turnover Material

When a department or work center desires to go to a SERVMART, they should fill out all the necessary paper work, A NAVSUP Form 1750-1 is required for each item of DTO material (repair parts/equipage) that is to be procured from a SERVMART. After determining that the material is not on board, the yellow copies will be returned to the requesting work center. The stock records storekeeper should then segregate the documents by material category and must use each batch of documents to prepare separate SSLs.

One SSL must be prepared, in triplicate, for each batch of NAVSUP Forms 1250-1 for DTO items. Each SSL should include the same data entries as those described previously, After the SSLs have been prepared, the originals should be forwarded to the requisitioning storekeeper for

preparation of DD Forms 1348 (MVO) or NAVSUP Form 1250-1 (MVO). The duplicates of the SSLs, with related NAVSUP Forms 1250-1 attached, will be held in suspense by the stock records storekeeper pending onboard receipt and issue of material. The NAVSUP Form 1250-1, for repair parts or equipment, should be completely filled out per the NAVSUP P-485.

An SSL, with NAVSUP Form 1250-1 (MVO) attached, should be prepared by shipboard departments to request procurement of consumables from a SERVMART list. The SSL will include all entries from the SERVMART catalog. After completion, the SSL, prepared in triplicate, and an MVO 1250-1 will be presented to the stock records storekeeper. After the storekeeper has verified the required entries and made any appropriate changes, the storekeeper should enter the appropriate fund code (_C for consumables, _2 for hull and structural [facilities] maintenance preservation, and _7 for medical/dental material). The stock records storekeeper then should forward the original of the SSL to the OPTAR storekeeper for completion of the requisition data on the MVO form. He or she should then hold the duplicates of the SSLs and all copies of the NAVSUP Form 1250-1. He or she then gives the original of the SSL and MVO to the requester.

DD Form 1348 and NAVSUP Form 1250-1 for DTO material will be prepared and distributed in the same manner as that previously discussed.

PICKUP OF MATERIAL.—The storekeeper or other person designated to pick up material at a SERVMART is responsible for the following actions:

- If the total quantity requested is obtained, circle the quantity indicated in the SSL; if only a partial quantity is available, line out the requested quantity and enter and circle the quantity obtained; if the item is not available in any quantity, line out the requested quantity and enter NIS in the QTY column.

- Correct the SSLs, when necessary, to reflect current prices, stock numbers, and units of issue of items obtained.

- Group and check out the items obtained by material category (a separate group of items for each DD Form 1348 or NAVSUP Form 1250-1); and as each group of items is checked out, give the original DD Forms 1348 or NAVSUP Forms 1250-1 to the SERVMART clerk

and obtain a separate adding machine tape for each MVO presented to the clerk.

- Before leaving the SERVMART, reconcile any differences between the prices listed on each tape and those indicated in applicable SSLs.

INSPECTION/RECONCILIATION.—

Upon completion of shopping action, all material will be returned to the ship. You or your representative, using the SSL as an invoice, will examine the material for correct count. Receipt quantities should be verified by placing a check mark next to the quantity and the original SSLs will be marked Receipt Inspected and Verified, dated, and signed. The requester, for DTO material, will sign all NAVSUP Forms 1250-1 for the material that he or she has received in the Received By block.

The original SSLs and the adding machine or EPOS tapes will be compared with the suspense copies that have previously been retained by the stock records storekeeper. If there are any differences in money value of the suspense documents, you should reconcile them.

Responsibilities for Procurement Afloat

The supply officer is responsible for the procurement of all equipment and supplies needed by the ship, with the exception of ammunition, Marine Corps stores, navigational maps and charts, war reserve stockpile nuclear weapons and major assemblies, medical stores, and those materials that are automatically furnished without action by the ship. (On ships operating under Navy Stock Account special accounting classes 207 and 224, the supply officer is responsible for the procurement of load list medical stores.) The supply officer is responsible to the commanding officer for the maintenance of stocks of general stores, subsistence items, and ship's store stock and clothing items, if authorized, at levels sufficient to meet probable demands. The supply officer is responsible jointly with the cognizant head of a department for the maintenance of a full allowance of equipment items.

As the leading storekeeper, your responsibility is to implement whatever system of procurement the supply officer directs. Working with the supply officer, you should determine procurement requirements, using as the basic guide the ship's allowance list and usage experience as reflected in the stock records.

In determining stock requirements, you must take into consideration geographic and climatic conditions; the expected length of cruises; the type of operations, such as combat, training, or other missions; and the availability of supply activities. You can also check with other ships' supply departments to see what they carried on deployment. You also must consider the expected needs of operating departments for maintenance materials and consult with department personnel in that regard. Of course, your determination of requirements must be made per the ship's endurance schedule, the stock limits and allowances established by the cognizant commands, NAVSEA weight restrictions, and logistic commanders' endurance limitations,

MILITARY STANDARD REQUISITIONING AND ISSUE PROCEDURES

The Military Standard Requisitioning and Issue Procedures (MILSTRIP) should be used for ordering all material from the Navy supply system, other military activities, the Defense Logistics Agency (DLA), and the GSA. There are certain materials that are excluded from using the MILSTRIP, and they will be addressed later.

MILSTRIP Requisitioning Forms

MILSTRIP requisitioning uses a coded, single line item document for each supply transaction. One of the following documents can be used for MILSTRIP requisitioning:

- DOD Single Line Item Requisition System Document, Manual, DD Form 1348
- Single Line Item Consumption/Requisition Document, Manual, NAVSUP Form 1250-1
- Non-NSN Requisition (4491), NAVSUP Form 1250-2
- DOD Single Line Item Requisition System Document, Mechanical, DD Form 1348m
- DOD Single Line Item Requisition System Document, Manual-Long Form, DD Form 1348-6

DD FORM 1348.— The DD Form 1348 is used by nonautomated ships without card punch

capabilities. You can use this form for follow-ups, modifiers, cancellations, and for a requisition to order material. The DD Form 1348 comes in two-, four-, and six-part forms.

The two-part form can be used for requisition follow-ups, cancellations, and modifiers. The four- and six-part forms will mainly be used to requisition material for the command.

NAVSUP FORM 1250-1.— This form is a seven-part, multipurpose form used as a requisition/consumption document. It is used by all types of ships from submarines to aircraft carriers. Automated and nonautomated ships use the NAVSUP Form 1250-1. On board the automated ships, the form will be pin fed through a printer.

NAVSUP FORM 1250-2.— The NAVSUP Form 1250-2 is a dual-purpose document for use by afloat activities to requisition non-NSN/part numbered items from Navy supply sources and to record and report demand and usage data. The form is a combination of the DD Form 1348-6 and the NAVSUP Form 1250-1. Use of the form allows afloat supply personnel to requisition and report the demand and usage on a single document instead of completing a separate NAVSUP Form 1250-1 and a DD Form 1348-6 for each item. The NAVSUP Form 1250-2 is a seven-part document and may only be used by afloat activities and only at Navy supply activities. See figure 5-6 for an example of a NAVSUP Form 1250-2.

DD FORM 1348m.— The DD Form 1348m is a standard electric accounting machine (EAM) card that is used by automated ships. It is used primarily for requisitions. It can be used for requisition follow-ups, modifiers, cancellation requests, and for MOV responses. Automated shore activities also use it for supply status, shipment status, follow-up replies, and cancellation confirmations.

DD FORM 1348-6.— The DD Form 1348-6 is a six-part form that is used for requisitioning non-NSN items. It is used to order material that cannot be identified by a stock number. The form consists of two sections. The upper section is filled out just like any other form that you use to requisition material. The bottom half has about 15 blocks to fill out additional identification data on the

material required. (See fig. 5-7.) The form should be used to requisition all non-NSN repair parts. You can use this form when the NAVSUP Form 1250-2 is not available.

Material Excluded

Some types of material that are excluded from the MILSTRIP should be requisitioned by using the DD Form 1149. These are indicated below:

- Ship's propulsion fuel and bulk lubricants
- Cognizance symbol I material not assigned a 13-character Navy item control number (NICN), including standardization documents and departmental letter-type directives

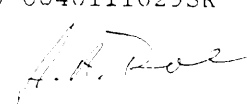
● Cognizance symbol OK library materials (books and periodicals) controlled by the Chief of Naval Education and Training

● Industrial plant equipment

● Communication security equipment; communication security aids; and all items, including components, individual elements, and repair parts, that are classified and designated crypto or that normally are handled through crypto channels

● Nuclear ordnance items designated by the Defense Atomic Support Agency for item serial number control

● Presentation silver

5 / N 0102 - LF - 013 - 2271																																													
DOCUMENT IDENTIFIER			ROUTING IDENTIFIER				M & S	MANUFACTURER'S CODE ★ AND PART NUMBER															UNIT OF ISSUE		QUANTITY				DOCUMENT NUMBER																
								FSCM					PART NUMBER																	REQUISITIONER				DATE				SERIAL							
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43			
A	O	R	N	N	Z	T		6	7	3	9	0		0	3	9	2	7	6					E	A	0	0	0	0	1		V	1	7	7	0		4	0	1		1	6	2	9
DEMAND		SERV		SUPPLEMENTARY ADDRESS				SIGNAL	FUND CODE		DISTRIBUTION CODE		PROJECT CODE		PRIORITY		RE-REQUIRED DELIVERY DATE		ADVICE CODE		BLANK													REFLECT CODE FOR USE BY SUPPLY SOURCE ONLY											
44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84					
R	Y	N	O	E	Q	1		A	S	R		9	N	E	K	5	0	6																											
IDENTIFICATION DATA																																													
★ 1. MANUFACTURER'S CODE & PART NO. (When they exceed Card Columns 8 thru 22)																						2. MANUFACTURER'S NAME IBM																							
3. MANUFACTURER'S CATALOG IDENTIFICATION AND DATE IBM TECH MANUAL VOL II MAY 1989																												4. TECHNICAL ORDER NUMBER																	
5. TECHNICAL MANUAL NUMBER 0910 LP 001 3233																						6. NAME OF ITEM REQUESTED DIODE																							
7. DESCRIPTION OF ITEM REQUESTED 40 OHMS																												7a. COLOR																	
																												7b. SIZE																	
8. END ITEM APPLICATION AND SOURCE OF SUPPLY SPS 40																																													
8a. MAKE																8b. MODEL NUMBER R123										8c. SERIES										8d. SERIAL NUMBER 039276									
9. REMARKS 1741804.702D 492 53824 B 060957 2D V17700 0040111629SR 																																													

DD FORM 1348-6 EDITION OF 1 JAN 71 MAY BE USED UNTIL EXHAUSTED NON-NSN REQUISITION (MANUAL)

Figure 5-7.—Non-NSN Requisition, DD Form 1348-6.

MILSTRIP Messages to be Submitted Vice Defense Automatic Addressing System

In certain situations, material requirements dictate the need for procurement by the Defense Automatic Addressing System (DAAS). DAAS is a real time random access digital computer system that uses the Automatic Digital Network (AUTODIN) switching centers of the Defense Communications System to receive and automatically retransmit MILSTRIP messages. You can send follow-ups, cancellations, modifiers, and requisitions via DAAS. Each document included on the message is limited to 66 card columns of data. All transmittals are accomplished by AUTODIN which automatically provides you with a punched card (or magnetic tape image) for each document included in your message.

Processing the MILSTRIPs by DAAS is fast and efficient. You will find that you can receive status and material about 2 or 3 weeks sooner than by mailing your requisitions.

REQUISITIONS QUALIFIED FOR DAAS.—

When material is authorized to be requisitioned by message, and when no exception data is required, message requisitions for NSN or NICN

items can be prepared and submitted by DAAS. Message requisitions for non-NSN items that require remarks or exception data can be prepared and submitted, but not by DAAS.

PREPARE MESSAGE REQUISITION FOR TRANSMITTAL.— When a message requisition

TRANSMITTAL.— When a message requisition is prepared for transmittal via DAAS the MILSTRIP data will be entered in columns 1-66 on the MILSTRIP Message Transmittal Worksheet, NAVSUP Form 1353-1. If your ship communications procedures permit the use of handwritten message forms, you can prepare a local form with wider columns instead of using the NAVSUP Form 1353-1. The locally prepared form must follow the same format as the NAVSUP form. You will notice that the message format does not include paragraph numbers and no slants between data elements, nor does it include the letters BLNK for data elements that are not applicable to the requisition. When data elements are not applicable, the data columns will be left blank. Except for the 66-character restriction, this message form is limited only to the number of requisitions that can be listed on one page. These requisitions that are listed on a page can all have different routing identifier codes. See figure 5-8.

WILSTRIP MESSAGE TRANSMITTAL WORKSHEET (12 PITCH) (2100)									
NAVJUP FORM 1353 (REV. 3-75)									
NOTE: FOR USE ON ELITE TYPEWRITERS - 12 PITCH						SECURITY CLASSIFICATION UNCLAS			
RELEASED BY			DRAFTED BY			PHONE		DATE	
J. A. DOE CAPT USN			J R DOE SKC					12 Oct 1993	
PAGE 1	DRAFTER OR RELEASER TIME	PRECEDENCE ACT INFO	LWF CLASS C/C	CIC	FOR MESSAGE CENTER/COMMUNICATIONS CENTER ONLY				
of 1		RR	TC	I A Z Z	DATE - TIME MONTH YEAR				
FROM: USS GLOVER									
TO: DAAS DAYTON OH									
INFO:									
USE THIS SPACE FOR ALIGNMENT (Elite type - 12 pitch)									
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A0ANNZM5120002456734 EAOO001M1770092840067RNYNEBOLAS2 BGEF506									
A0ANDZT4820005647833 EA00001M1770092840068RYNEBOLASR BCEK506									
A0AN35T5330005153211 EA00001M1770092840069RYNWODLASC BOEF506									
A0AS9MT66650102337788 EGOCCLCV1770092840070RYNEBOLAS7 9LEP506									
A0ANOZH1020008532468 EA00001M1770092840071PYNWEP2AST DHTE506 5A									

Figure 5-8.—DAAS MILSTRIP requisitions.

When you need to send a CASREP requisition out by DAAS, it has to be sent on a separate message. The requisition will cite a W in the first position of the serial number and the message will reference the related CASREP message. See figure 5-9.

TRANSMISSION OF DAAS.— When transmitting a CASREP requisition by MILSTRIP message to DAAS, it is essential that a language media format (LMF) of tape to tape (TT) and a content indicator code (CIC) of NGCN are included in the message heading. For a non-CASREP it should be TT and ZYUW in the message heading. It is important that the MILSTRIP data is transmitted exactly as it appears on the NAVSUP Form 1353-1. Any DAAS message that is over 66 columns will be subject to rejection by DAAS.

VALIDATION OF TRANSMITTED DATA.— To prevent retransmittal of erroneous data, the DAAS facility validates the first 51 column blocks of the message requisition. Omissions or invalid MILSTRIP codes in any of these fields will cause DAAS to reject the inaccurate requisition by message to your ship

with a statement for rejection. DAAS retransmits each document as it is received and appropriate status is furnished to all concerned. You must recognize that any rejected requisition(s) and related narratives are based upon the first error detected. On a new message, you have to resubmit only the requisition that was rejected back to DAAS.

DOCUMENT TRACER ACTION.— DAAS maintains input and output messages on tape for a minimum of 30 days. If you require an audit trace of a specific message, you can submit a service message to DAAS Dayton, Ohio, ATTN: Communications Specialist. Line A of the service message should contain the same header data as that included in the message being traced. The information that you need to supply is your routing identifier (this you can get from radio), message serial number, the last three digits of the Julian date and time of the message transmittal, and the precedence and date-time group of the message. Line A1 should cite the requisition number on which the tracer action is being requested. If you desire DAAS to verify the supply source's time of receipt of the DAAS output message, that action should be requested on line

MILSTRIP MESSAGE TRANSMITTAL WORKSHEET (10 PITCH) (2100)										SECURITY CLASSIFICATION																																																																																																			
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Figure 5-9.—DAAS CASREP requisition message.

A2 of the service message. Line A2 is not necessary, and if not included, DAAS will furnish you with the DAAS output message data so that you can accomplish the desired action.

NOT OPERATIONAL READY-SUPPLY/NOT MISSION CAPABLE-SUPPLY REQUISITIONS

Not operational ready-supply (NORS) requisitions are those submitted for a casualty report (CASREP) requirement, as defined in the *Navy Warfare Publication* 10-1-10. A not mission capable-supply (NMCS) requisition is any requisition submitted for aeronautical material required to correct an aircraft NMCS condition.

Preparation of NORS/NMCS Requisitions

NORS or NMCS requisitions should be prepared in the same format as routine MILSTRIP requisitions. Specific data entries required in NORS or NMCS requisitions are described as follows:

- Enter an S, or other appropriate media and status code in card column 7.
- The first position of the serial number should be a W for a NORS and a G for an NMCS requirement.
- In card column 54, you should enter the appropriate distribution code, per the fleet or TYCOM's instructions, to identify who is to receive 100 percent supply and shipment status (normally it is your ship).
- In card columns 57-59 enter the correct project code that applies to a NORS or an NMCS requisition.
- In the Priority block enter the highest priority authorized by the urgency of need and assigned force/activity designator (F/AD).
- The Required Delivery Date block will be used when the material required is critically needed. You can use 999 when the requisition is considered a C2, C3, or C4 CASREP.

Transmittal of NORS or NMCS Requisitions

Requisitions for NORS or NMCS requirements will be transmitted by naval message unless transmittal by other means such as mail, transceiver, or courier is considered to be faster.

Expediting NORS or NMCS Requisitions

Any requests for emergency assistance of NORS or NMCS requisition requirements should be directed to the emergency supply operations center (ESOCs). For a complete listing of these various ESOCs, see NAVSUPINST 4420.27.

UNIFORM MATERIAL MOVEMENT AND ISSUE PRIORITY SYSTEM

An integral and vital part of the MILSTRIP is the requirement to assign priorities by the standards set forth in the Uniform Material Movement and Issue Priority System (UMMIPS). In the movement and issue of material, it is necessary to establish a common basis to determine the relative importance of competing demands for resources of the supply system such as transportation, warehousing, requisition processing, and material assets. The basis for expressing the military urgency of a requirement is the priority designator (PD). The PD assigned to a requisition determines the time frame within which your requirement normally will be processed by the supply system. The PDs to be used in requisitioning material or services will be determined by your assigned F/AD and the applicable urgency of need designator (UND).

Exceptions of Priority Designator

UMMIPS authorizes the assignment of specified PDs in requisitions for certain material requirements, regardless of your assigned F/AD. The types of material and the PD authorized for certain types are described below. Some of the PDs are authorized for immediate end-use requirements and for stock replenishment requirements.

MEDICAL OR DISASTER SUPPLIES OR EQUIPMENT.— PD 03 will be used to order medical or disaster supplies or equipment required immediately to prolong life or speed recovery in case of injury, illness, or disease.

ESSENTIAL CLOTHING.— PD 06 should be used to requisition emergency supplies of individual and organizational clothing required immediately to provide a minimum of essential clothing to active duty military personnel who need it.

REQUIREMENTS FOR A SUPPORTED UNIT.— When you requisition a specific immediate end-use requirement for a supported activity with a higher F/AD than yours, you can use their F/AD to determine the PD for the requirement.

Limitations on High-Priority Requisitions

Figure 5-10 shows the maximum percentage of high-priority requisitions (PDs 01 -08) normally allowed each category of deployed afloat activities (or units alerted for deployment within 30 days). If your ship is neither deployed nor alerted for deployment, it should operate largely below these guidelines.

MATERIAL OBLIGATION VALIDATION

A material obligation validation (MOV) represents that unfilled quantity of a requisition that is not immediately available for issue to you. The requisition is recorded as a commitment against existing, prospective stock dues or direct deliveries from vendors. Material obligations are considered overaged for

validation when priorities 01-08 requisitions are outstanding more than 30 days. Your routine requisitions, priorities 09-15, are considered overaged when still outstanding more than 75 days. You should make frequent comparisons of the material outstanding file (MOF) and the work center's ship's force work list to make sure the requisitions in the MOF are valid requirements. This internal check will enable you to initiate cancellation requests of invalid requirements or initiate follow-ups before the quarterly scheduled inventory control point generated MOV cycle. Continuously doing internal MOVs will result in a better MOF and will also provide a good head start on the next MOV cycle. ICPs will forward MOV requests for your overaged material obligations centrally held to DAAS. The purposes of MOV requests are as follow's:

- To make sure overaged material obligations reflected at the ICPs agree with the MOF of your activity
- To determine if requirements for the material still exist
- To see if the total quantity requested is still required
- To see if the priorities that you have assigned to the requisitions are still valid

Navy stock points may, at their option, reconcile locally held material obligations with you.

<u>Activity Category</u>	<u>PD 01-08</u>
Submarines and FBM submarine tenders	80
Destroyer tenders, non-FBM submarine tenders, repair ships, aircraft carriers, and shore intermediate maintenance activities (SIMAs)	70
Navy/Marine aircraft squadrons and Marine aircraft groups	70
CLF ships	40
Ships not included in above categories	55

Figure 5-10.— Limitations on requisitions.

MOV Schedule

MOVs are conducted quarterly under the following schedule:

MOV Cycle	Supply Source Cutoff Date for MOV Requests	Supply Source Must Receive MOV Responses by
1	20 January	5 March
2	20 April	5 June
3	20 July	5 September
4	20 October	5 December

ICPs are required to transmit MOV requests to DAAS on or before the cutoff date of each MOV cycle. This is to allow mailing to activities concerned no later than 5 days from the established cutoff date of each validation cycle. You will usually receive a message from DAAS

listing the activities, cutoff date, and number of cards that are being forwarded to you. It also explains when you should respond to DAAS if you have not received the MOV cards. If your MOV requests are received at DAAS after the cutoff date, they can be converted to APs and returned to the generating ICPs by DAAS.

MOV Requests and Control Cards

Each batch of MOV requests forwarded to an activity should be accompanied with an MOV control card for acknowledging receipt for the MOV requests. Receipt entries in the MOV control card are explained in a following section of this chapter. MOV requests and MOV control cards are prepared on general-purpose detail cards in the formats illustrated in figures 5-11 and 5-12 respectively.

Figure 5-11 shows a general-purpose detail card used for MOV requests. The card contains the following fields:

- DOCUMENT IDENTIFIER:** ANIN35 6625010702446
- ROUTING IDENTIFIER OF INITIATING SUPPLY SOURCE:** 3371BB
- CUTOFF DATE:** 201
- REPLY DUE DATE:** 248

Figure 5-11.—MOV request card.

Figure 5-12 shows a general-purpose detail card used for MOV control. The card contains the following fields:

- DOCUMENT IDENTIFIER:** AN9GK00101002
- ROUTING IDENTIFIER:** R521929201
- CUTOFF DATE:** 9248
- RESPONSE DUE DATE:** 9248

Additional information provided in the figure:

- 01 - BATCH NUMBER
- 01 - NUMBER OF BATCHES
- 002 - NUMBER OF AN CARDS IN BATCH 01

Figure 5-12.—MOV control card.

The proper format for MOV requests and for the control cards that accompany each batch of MOV requests is located in the NAVSUP P-485.

Activity to Receive MOV Requests

With the exception of the fleet ballistic missile (FBM) submarine, MOV request cards must be mailed to the ship or unit designated by the Media and Status (M&S) code in the overaged requisitions. When a zero is indicated as the M&S code, the MOV requests must be sent to the activity designated by the entry in CC 54, and if CC 54 is blank, the MOV requests must be sent to the requisitioner, MOV requests mailed by the supply source must be accompanied with a machine list of these cards; MOV requests transmitted to and mailed by DAAS must not be accompanied with a machine list.

MOV request cards will be mailed to the ship or unit designated by the M&S code in the overaged requisitions. (See exception below.) When a zero is indicated as the M&S code, the MOV requests will be sent to the activity designated by the entry in CC 54 and, if CC 54 is blank, the MOV requests will be sent to the requisitioner.

MOV REQUESTS FOR FLEET BALLISTIC MISSILE SUBMARINES— MOV requests for FBM submarines always will be transmitted via AUTODIN to the appropriate Polaris material office designated by the entry in CC 54 of the overaged requisitions, regardless of any M&S code that may have been entered in CC 7.

Acknowledgement of Receipt of MOV Requests

Unless subparagraph 3 applies, receipt of MOV requests will be acknowledged immediately by either of the following:

- Enter the document identifier code AP9 and the receipt date to the right of general-purpose detail card. The MOV control card then will be mailed promptly to the activity indicated by the routing identifier code in CCs 4-6.

- If a card-punching capability exists, prepare a duplicate MOV control card (using either DD Form 1348m or IBM 5081 General-Purpose Card) with AP9 in CCs 1-3 and the receipt date in CCs 41-44, and then mail the prepared card to the activity indicated by the routing identifier code in CCs 4-6.

- At the TYCOM's option, the MOV control card data may be returned via DAAS on the

format provided in the preceding paragraphs with the following exceptions (see fig. 5-13):

<u>Print Positions</u>	<u>Explanation</u>
1-3	AP9 to indicate receipt acknowledgment.
41-44	Julian date the MOV cards were received.

DEFENSE AUTOMATIC ADDRESSING SYSTEM OFFICE (DAASO).— DAASO will transmit an individual service message to each MOV customer who was sent MOV documents. The DAASO message will cite the routing identifier code (RIC) of the ICP originating the MOV documents; the applicable DAAS method of transmission and dates; and the instructions to be followed in the event that MOV data are not received within 18 days of the DAAS transmission date. In addition, DAASO will provide the TYCOM with a summary message that lists all MOV recipients under his or her command. This list will cite the RIC of the ICP involved and the number of documents.

NONRECEIPT OF MOV CARDS.— Each activity receiving a DAASO message will determine if the MOV documents have been received within 18 days of the transmission date cited by DAASO. If batches are not received during this time frame, submit DOC ID APX to DMSO, Dayton, Ohio, to request retransmission of individual batches in the following format:

REQUEST FOR RETRANSMISSION

<u>RECORD POSITIONS</u>	<u>FIELD LEGENDS</u>	<u>EXPLANATIONS AND INSTRUCTIONS</u>
1-3	Document identifier	Enter APX.
4-6	Routing identifier	ICP/IM RIC.
7-13		Batch number and card count.
1-29		Blank.
30-35	Address	DODAAD code of activity requesting retransmission.
36-39	Cutoff date	Prescribed cutoff date of the validation cycle. (One position for last digit of calendar year three position Julian day.)
40-80		For retransmission requests (DOC ID APX) record positions 40-80 are blank.

[illegible][illegible]

APR 30 10 10 74 K521999901 9912 9949 1H

[illegible]

FOLLOW-UP ON UNACKNOWLEDGMENT VALIDATION REQUEST.— When acknowledgment of receipt of requests is not received from fleet units, a duplicate of the follow-up MOV control card(s) will also be furnished the appropriate FLTCOM and TYCOM, as indicated by the code in CC 54. The FLTCOM or TYCOM will advise supply sources by message within 10 days of fleet units that are unable to acknowledge receipt or to respond by the due date. Supply

Validation of Outstanding Requisitions

5-19

differences between data entries in the requisitions and MOV requests. Each outstanding requirement for which an MOV request has been received will then be validated to determine whether the total quantity is still required, or whether the total quantity or a partial quantity can be canceled. Quantities will not be increased nor priorities upgraded in the validation process. In addition, when outstanding requisitions are for DTO maintenance-related material, the related issue request documents in the NIS/NC portion of the MOF will be matched with the applicable OPNAV Forms 4790/2K held in the Maintenance Data System (MDS) coordinator's deferred action file. If there is no related maintenance action form held (meaning the job has been completed), the originator of each issue request will be requested either to authorize cancellation or to justify continuance of the requirement. After the validation has been completed, each validated requisition document in the MOF will be annotated or stamped "Validated MOV request of ." (In the first blank space of this notation, enter the routing identifier of the originator of the MOV request, and in the second blank space, enter the Julian date of the MOV request.)

Response to MOV Requests

A response to each MOV request must be received by the requesting activity via DAAS by the reply due date entered in lower line print positions 16-18 of the MOV request document, except when a delayed suspension has been requested due to operating commitments. Fleet units mailing response cards will report by message to the requesting activity that the cards have been mailed when they are mailed less than 20 days before the reply due date indicated in lower line print positions 16-18 of MOV request documents. The reply due date is established as the fifth day of the second month following the cutoff date entered in lower line print positions 12-14 of the MOV request documents. Only the message should be submitted.

When you receive MOV request documents, you should review each document to determine if the quantity on order is still required or if you can reduce or cancel entirely. During the review, the documents can be separated into two categories—those that can be partially or totally canceled and those that the original quantity ordered are still required. Upon your review, a response will be transmitted to DAAS. For those documents that can be partially or totally canceled, an AP response will be prepared with the routing identifier of the requesting ICP

entered in CCs 4-6 and in CCs 71-73 left blank to allow for DAAS transmission. The quantity field will indicate the quantity still required, not the quantity being canceled. For example; if the total quantity is being canceled, the quantity in CCs 25-29 will be 00000. If the quantity is being reduced from 5 to 2, the quantity in CCs 25-29 will be 2. For any document that the quantity is still valid, you do not have to submit any documents.

Overaged Requisitions for MOV Request Not Received

When comparing MOV requests with related requisitions in the MOF, it may be discovered that MOV requests have not been received for some overaged requisitions that apparently (based on the most recent status attached) are being held by the MOV originator. In such cases, follow-up or cancellation action (if and as appropriate) should be initiated per the NAVSUP P-485.

Delayed Submission of MOV Response Cards

If operating commitments of your ship or late receipts of the MOV request cards prevent response by the reply due date, you or the MOV activity should advise the material obligation holder by message of the estimated date MOV responses will be submitted and request suspension of cancellation action on all requisitions involved. To facilitate timely suspension of cancellation action by the supply source, the message also should indicate the activity address code (AAC) of each requisitioner involved. When a requisitioner is authorized more than one AAC, each AAC will be identified. A copy of the message will be sent to the cognizant TYCOM. Consistent with messages received, material obligation holders will suspend actions for cancellation pending receipt of cancellation requests or further advice from the requisitioner or other designated activity.

Cancellation of Requisitions

When the recipient of MOV request documents responds with requests for cancellation of items or reductions in quantities, you should confirm each item or quantity cancellation with a reply to cancellation request indicating status code BR (cancellation authorized in response to an MOV request). Funds will not be deobligated until confirming cancellations are received from the requisition holder. Material obligation holders automatically cancel material obligations when no response to MOV requests or no requests for

suspension of automatic cancellation action have been received by the response due date, provided that acknowledgment of receipt of MOV requests has been received. In such circumstances, the material obligation holder provides cancellation notification to the appropriate activity with a cancellation card (document identifier in the AE series) indicating status code BS (canceled—no response to MOV request).

SMALL PURCHASE

Small purchase is an acquisition of supplies or personal services in the amount of \$25,000 or less. Ordinarily, supplies and services required for forces afloat are procured by requisition from the nearest shore activity. When unable to use the normal procedures to obtain supplies, you can use the open purchase method.

The ship's supply officer should make sure personnel engaged in purchasing functions are familiar with the contents in the NAPS, NAVSO P-3670, and any other procurement directives available. The technical advice, legal counsel, training programs, and other procurement assistance provided by naval regional contracting centers (NRCCs) and certain NSCs, per the NAVSUP P-485, should be used to the maximum extent possible. The ship's supply officer should implement and exercise such controls as may be required to prevent violations of standard procurement regulations.

Some of the areas to be discussed in this section will be the policies and procedures used in obtaining material and services requiring small purchase and simplified purchase action.

AFLOAT UNITS AND GENERAL SERVICES ADMINISTRATION FEDERAL SUPPLY SCHEDULES

GSA federal supply schedules are generally geared toward meeting the routine needs of stationary, shore-based activities. The constraints of shipboard supply and logistics make virtually all ships' purchases urgent. It had been determined not cost-effective for ships to assemble and maintain the considerable libraries of the federal supply schedule literature necessary for schedule use. So, GSA schedules are considered optional with respect to shipboard purchasing. The shore-based activities buying on behalf of afloat units are required to use the GSA schedules.

OPEN MARKET PURCHASE METHOD

As the contracting officer, you should use the small purchase procedure that is most suitable,

efficient, and economical to the purchase action. Some of the methods for making small purchases and corresponding dollar limitations are the blanket purchase agreement (BPA), the imprest fund, and purchase orders.

The following are some of the general procedures you should apply to making purchases on the open market:

1. Purchase requisitions should be prepared and approved before starting any small purchase action.

2. In arriving at a total amount involved in any transaction, all supplies and services that properly would be grouped together in a single transaction should be included. You should consolidate all requirements to the maximum extent possible.

3. Your individual open market purchase actions cannot exceed your contracting authority without prior approval from the cognizant procurement management review office or detachment.

4. You cannot take an open purchase if it exceeds your contracting authorization and split it into two separate orders.

5. You must establish at your command controls to make sure the initiation of a requirement, award of the purchase action, and receipt of the material are not performed by the same person. If you are unable to set up a three-way control, make sure the same person does not do both the award of the purchase and receipt of the material. To cover this kind of situation, you can write a local instruction covering this situation.

SPECIAL TRAINING

All your personnel or those that you designate to do the purchasing should attend a NAVSUP authorized small purchase course. You should also make sure not only the people you have designated as your purchasing agents are trained, but be sure all personnel are adequately trained.

TYPES OF PURCHASE

You have basically two different ways of doing an open purchase. One way is by intra-activity and the second method is the military interdepartment purchase request (MIPR). Both of these are discussed in the following sections.

Intra-Activity

This type of purchase request will originate within your command. The requesting activity or department will originate the purchase request.

They can use a variety of forms to request your personnel to buy the necessary material. Aboard ship you can use the following forms for open purchase: DD Form 1348-6, NAVSUP Form 1250-2, and any local prepared form that has been approved by competent authority.

Military Interdepartment Purchase Request

MIPRs are forwarded by the originating military department to another military department for purchasing action. Field contracting activities responsible for single department procurement should receive requests for purchase action on the following forms: Military Interdepartmental Purchase Request, DD Form 448 (this form is used by other military services), and Requests for Contractual Procurement, NAVCOMPT Form 2276 (this form is used by the Department of the Navy).

COMPETITION AND PRICE REASONABLENESS

It is the responsibility of the storekeeper or buyer to make sure every purchase is made at a fair and reasonable price. He or she is to make sure the government gets what it pays for in terms of quality and delivery. When dealing with a contractor, you are speaking for the U.S. Navy. When making a purchase, never be afraid to challenge the price, demand a reduction, or ask to talk to someone higher in that company. If necessary request more information from your customer. The information on the item that you are purchasing might require more technical advice. If this happens, let your customer talk to the contractor with you present. In getting this information, your job is to perform a service to support your customer and the ship or command.

Purchases Not Over \$2,500

These purchases should be distributed equally over a period of time among qualified suppliers. If practical, a quotation can be solicited from other contractors on repeat orders. When you can determine that one quote is fair and reasonable, you can save the additional expense and time of seeking additional quotes. But if you think that the price might be unreasonable, then seek additional quotes. The judgment in the reasonableness of the price needs to be made in every buy. You need to use common sense when making these buys. You should always ask yourself, "Would I pay that price if I was going to use my own money?" If you answer no, then you need

to do more work. Some of the time all you need is a better understanding of what you are buying or additional information on the item.

Purchases Over \$2,500

For any purchases that are over \$2,500, you must have your purchasing agent solicit three bids from various contractors or companies. By soliciting three bids you can get prices that are reasonable to the government and to your command. You can get reasonable competition for small purchases from the local area that is your home port. When your ship is on deployment overseas, you then usually have to work through a husbanding agent in that foreign port. The only time you need a husbanding agent is when there is not a Navy activity located nearby. If you have an NSD or an Naval Supply Activity located in that particular port, you must submit your open purchases to them per the local directives or area instructions.

When requesting bids from three separate businesses and you only receive one response, no other responses are needed if you decide that the quote is fair and reasonable. The contracting officer can have solicitations limited to one company if he or she decides that the price is fair and reasonable. When he or she does this, you must get a sole source letter from the departmental representative explaining why this company is the best one to purchase the material from. You have to be sure you file this letter with the purchase request.

BLANKET PURCHASE AGREEMENT

The BPA method of small purchase is a simplified procedure of establishing charge accounts with various sources to cover anticipated purchases of the same general category. The general scope of the BPA must be consistent with the contractor's status under the Walsh-Healy Public Contracts Act as a manufacturer of, or regular dealer in, the type of supplies identified. BPAs eliminate the necessity of issuing individual purchase orders by providing those purchases that can be made by placing oral calls, or by informal memorandums when more convenient. Maximum use of BPAs is encouraged and recommended when appropriate. Of course, if you do a small amount of purchasing, you probably will not have repetitive requirements for purchases by the BPA method.

Conditions for Use

All BPA agreements are to be issued as bilateral, two-party signature documents. Major field purchasing activities and other Navy Field

Contracting System activities who have been granted such authority are authorized to place BPAs when either there is a repetitive need or the use of the BPA is administratively more economical and efficient than any other small purchase method. No BPA call can exceed \$25,000 and calls for subsistence are unlimited as to dollar value. Notwithstanding the above thresholds, no BPA call may exceed the contracting authority of your ship or command placing the call.

The use of a BPA does not authorize purchases that are not otherwise authorized by law or regulation. For example, the existence of a BPA does not justify sole source purchasing or avoiding small business-small purchase set-asides. The rules distributing purchases among qualified suppliers for purchases in excess of \$2,500 and for seeking competitive quotations for purchases in excess of \$2,500 apply to each call under a BPA. If there is not enough BPAs to have a competitive and equal distribution of business,

you or the supply officer should make additional solicitations from other companies. You then can take action to establish additional BPAs for future uses.

Establishment of Authorized Callers

BPA calls may be made by individuals from your ship or command who entered into the BPA. The supply officer or contracting officer who issued the BPA can authorize other activities who have been granted contracting authority to place calls under his or her BPA. You cannot authorize a different command to use your BPAs unless that command has a contracting officer.

For you to authorize your personnel to make authorized calls on BPAs, they have to attend a NAVSUP approved small purchase course. These authorized individuals must be appointed as contracting officers by a certificate of appointment. (See fig. 5-14.) This appointment

Certificate of Appointment

Under authority vested in the undersigned and in conformance with
Subpart 1.6 of the Federal Acquisition Regulation

is appointed

Contracting Officer

for the

United States of America

Subject to the limitations contained in the Federal Acquisition Regulation and to the following:

Unless sooner terminated, this appointment is
effective as long as the appointee is assigned to:

(Organization)

(Agency/Department)

(Signature and Title)

(Date)

(PWS)

NSM 7540-01-152-4611
1400-101

STANDARD FORM 1402 (10-83)
Prescribed by GSA
FAR 146 OFR 52.201-1

Figure 5-14.—Certificate of appointment.

should be made as per NAVSUPINST 4200.81 within their contracting authority. See figure 5-15 for contracting/ordering officer appointment.

Authorized Callers

Now that you have sent the necessary personnel to the small purchase course, you should make a list of these individuals. This list should be submitted to the supply officer for his or her file. This list should also state the dollar limitations of each person per call. Any time you change this list, you must notify the supply officer in writing to update the original list.

FAST PAYMENT

The fast payment procedure is designed to encourage faster delivery to the government and to improve supplier relations by speeding payments to contractors. This procedure is especially suitable when you are the consignee and the time required for processing would unduly delay payment to the contractor. To receive payment for material delivered, the contractor will submit his or her invoice directly to the disbursing office for payment.

The fast payment procedure is authorized in purchases that require special attention to avoid excessive delay through normal procedures. All the following conditions must be present so that you can use fast payment:

- Individual orders do not exceed \$25,000.
- Government ownership occurs if delivery is to a post office or a common carrier or if delivery is taken by an NSC.
- Contractor agrees to replace, repair, or correct supplies not received or any goods damaged during transit.

Do not use fast payment procedures under the following conditions:

- Point of inspection and acceptance is at a nearby based location where normal receipt control procedures apply
- Small purchases by shore activities and afloat units where delivery is made and normal control procedures can be used
- Get around established receipt control procedures to reduce paper work when the item

is complex and requires special quality assurance, inspection, and acceptance procedures

When using fast payment procedures you should be sure all orders using BPAs, supplies, or services are issued and prepared on a DD Form 1155. Upon issuing your order on the DD Form 1155, you must make sure all material received meets the requirements of the order. When you receive your order, after inspection, you should notify the purchasing office within 10 days. If the material has not been received within 30 days after the required delivery date cited on the DD Form 1155, you must immediately notify the purchasing office.

IMPREST FUND

The imprest fund is a simple and economic method of making purchases of \$500 or less. It is a cash fund and operates much like the petty cash fund used by private industry. It is, in effect, a miniature revolving fund. The fund is reduced as purchases are made. When the reimbursement voucher is prepared, the ship's OPTAR is charged for the amount spent and the money returned to the imprest fund.

Authority

Upon the written approval of the TYCOM, ships may establish an imprest fund. The supply officer, with the approval of the commanding officer, must establish the fund in writing, setting forth the maximum amount of the fund and designating an imprest cashier to act as custodian of the fund. The amount of the fund should be based on anticipated purchases, but it may not exceed \$1,000 for ships with Supply Corps officers, or \$500 for ships without Supply Corps officers, unless a greater amount is approved by the TYCOM and is authorized by NAVSUP. A review should be made at least once a quarter to determine if there is continuing need for the fund and if the amount of the fund is greater than necessary. Any officer or enlisted member attached to the supply department may be designated as imprest fund cashier except those performing disbursing duties.

The procedures to be followed in establishing an imprest fund and for appointing or revoking appointments of the cashier are contained in the NAVSO P-3670.

NAME	CURRENT GRADE/RANK AND POSITION TITLE	ACTIVITY
------	---------------------------------------	----------

PART I — DUTIES AS CONTRACTING OFFICER

A. Number of Employees Supervised _____

B. Highest Grade of Employees Supervised _____

C. Limitations on Contracting Authority \$ _____

Other: _____

D. Brief Description of Duties as Contracting Officer, to include Quantity, Complexity Type, and Average Dollar Amount of Documents Obligated.

PART II — EXPERIENCE

A. Number of Years as Full-Time Contract Negotiator/Administrator: _____

<u>Dates</u>	<u>Position</u>	<u>Grade Held</u>	<u>Duties</u>
--------------	-----------------	-------------------	---------------

B. Number of Years as Supervisory Contract Negotiator/Administrator: _____

<u>Dates</u>	<u>Position</u>	<u>Grade Held</u>	<u>Duties</u>
--------------	-----------------	-------------------	---------------

C. Number of Years as Contracting Officer (May overlap other experience): _____

<u>Dates</u>	<u>Position</u>	<u>Grade Held</u>	<u>Duties</u>
--------------	-----------------	-------------------	---------------

D. Number of years of Other Directly Pertinent Experience: _____

<u>Dates</u>	<u>Position</u>	<u>Grade Held</u>	<u>Duties</u>
--------------	-----------------	-------------------	---------------

Figure 5-15.-Contracting/ordering officer appointment documentation sheet.

PART III — EDUCATION

A. High School Graduate	B. No. of Years College Completed	C. College Graduate <div style="text-align: center;">Yes No</div>	D. Type of Degree
		E. Major	F. Minor

G. Graduate Work

PART IV — TRAINING

(List any pertinent Civil Service Schools, Military Schools, or Correspondence Courses)

A. School/Courses Title	Hours	Date Completed
-------------------------	-------	----------------

PART V — OTHER

A. The Appointee has reviewed SECNAVINST 5370.2H (Standards of Conduct).

B. The Appointee is/is not required to file the Confidential Statement of Affiliations and Financial Interests.

Typed Name and Title of Appointee	Signature	Date
-----------------------------------	-----------	------

Typed Name and Title of Appointing Official	Signature	Date
---------------------------------------------	-----------	------

Effective Date of Appointment

Distribution:

Figure 5-15.—Contracting/ordering officer appointment documentation sheet—Continued.

Advance of Funds

A signed copy of the letter appointing the imprest fund cashier is furnished to the disbursing officer, at which time the disbursing officer advances the authorized amount of the fund to the cashier and obtains a receipt for the advance.

Security of Cash and Receipts

To prevent theft or unauthorized use, imprest funds (both cash and receipts for amounts paid out and not yet reimbursed) must receive the same security as that given other public monies as prescribed in the *NAVCOMPT Manual*, volume 4.

When Imprest Funds May be Used

Imprest funds should only be used to purchase supplies and services when the requirement cannot be satisfied by the supporting shore activity within the required time frame. Other criteria for use are as follows:

- The transaction involves one delivery and one payment not in excess of \$500. Simultaneous requirements may not be split into multiple purchase transactions to circumvent the prescribed monetary limitation for imprest fund.

- The supplies or services are available immediately and cash payment will be made upon pickup or delivery.

Restrictions on Uses

Imprest funds may not be used for any of the following purposes:

- Cashing checks or other negotiable instruments

- Payment of public utility bills

- Payment of salaries and wages

- Purchase of foreign items unless the applicable decisions of exception and documentation are made before procurement

- Purchase of supplies or services that would not be authorized for purchase under general purchasing regulations.

Disbursements

Purchases from the imprest fund must be based on an authorized purchase request document (NAVSUP Form 1250-1 or DD Form 1348) approved by the supply officer or an authorized representative. Normally, the purchase request document must be marked Imprest Fund and must include the item name, the estimated

unit price and total price, and the vendor's name and address, if known.

The cashier may advance funds to the person authorized to make the purchase and obtain a receipt for the advance, or the cashier may reimburse the person for an authorized purchase made with his or her own money. In either case, the approval must be obtained before the purchase is made. Figure 5-16 illustrates the Standard Form 1165 and describes its use as an interim receipt for money advanced and as a receipt for money spent. It is preferable to obtain the receipt for purchase on the vendor's own form (sales ticket, delivery ticket, or other similar document), but if this is not available, the Standard Form 1165 may be used. If the vendor's form is used as the receipt for cash and the amount of the purchase exceeds \$15, the sales representative must certify the receipt as follows:

Cash payment received in full:

Amount \$ _____ Date _____

By _____ Title _____

The supply officer or other designated person receives all items purchased through the imprest fund and certifies receipt by dating and signing the vendor's receipt Received and Accepted. When practical, a designated person should be someone other than the imprest fund cashier. The purchaser must return the receipt and any unused cash to the cashier as soon as possible, and the cashier voids his or her interim receipt for cash and returns it to the purchaser. These receipts must be afforded the same security as cash.

The cashier should balance his or her funds daily to make sure the total amount of the fund is accounted for, either in cash or purchase receipts.

Inspection and Verification

The imprest fund cashier may be required to account for the established balance of the fund at any time. The total of cash on hand, paid vendors' receipts, unpaid reimbursement vouchers, and interim receipts for cash must equal the total of the fund. An unannounced inspection is made at least quarterly. The commanding officer designates a person or persons to conduct the inspection and a report of inspection is made promptly to the commanding officer.

Reimbursement

To maintain adequate controls over imprest funds a Reimbursement Voucher, Standard Form 1129, is prepared on an as-required basis,

INTERIM RECEIPT FOR CASH

DATE 7/23/1998

Received of Imprest Fund Cashier
\$ 25.00 for which I hold
myself accountable to the United
States.

W. Z. Darr SK3 USN
(Signature)

NOTE TO SIGNER
Be sure this receipt is marked "VOID"
and returned to you when the transaction is
completed or the funds returned to the Cashier.

GPO : 1986 O - 234-852

Standard Form 1165
7 GAO 5100
1165-105

RECEIPT FOR CASH—SUBVOUCHER
(To be used when invoice is not available)

Received in cash from Imprest Fund Cashier USS Clouck FF 1098
Twenty - One and 54 (\$ 21.54) for the following:

QUANTITY	ARTICLES OR SERVICES	AMOUNT
1 EA	BEARING # 74892	19.32
2 EA	GASKET @ 1.10	2.22

Vendor Ac ME INDUSTRIAL Co
Address 2361 INDEPENDENCE BLVD
VIRGINIA BEACH VA
PURPOSE (Project, etc.) _____

By J. A. Doe (Signature of Vendor/Agent)
Title Salesman

APPROPRIATION AND ACCOUNTING CLASSIFICATION
(DO NOT SIGN IN DUPLICATE)

INTERIM RECEIPT TO BE COMPLETED
AT TIME OF ADVANCEMENT OF CASH
AND RETAINED BY IMPREST FUND
CASHIER

THIS PORTION OF FORM WILL BE
COMPLETED AT TIME OF MAKING
PURCHASE

THE IMPREST FUND CASHIER WILL NUMBER
EACH VENDOR'S RECEIPT (WHETHER DEALER'S
BILL OR SUBVOUCHER PORTION OF STANDARD
FORM 1129) AS A SUBVOUCHER

TO BE SIGNED BY PERSON
TO WHOM CASH IS ADVANCED

MUST BE FILLED OUT
IN INK OR INDELEBIL PENCIL

TO BE SIGNED BY SUP-
PLIER OR HIS AGENT

- STEP 1 - INTERIM RECEIPT PORTION COMPLETED AND SIGNED BY PERSON TO WHOM CASH ADVANCED. RETAINED BY IMPREST FUND CASHIER. SUBVOUCHER PORTION GIVEN TO INDIVIDUAL FOR USE AS DEALER'S BILL.
- STEP 2 - INDIVIDUAL MAKES PURCHASE AND OBTAINS EITHER A SIGNED DEALER'S BILL OR THE SIGNATURE OF THE SUPPLIER OR HIS AGENT ON THE SUBVOUCHER.
- STEP 3 - PERSON WHO MAKES PURCHASE RETURNS SIGNED RECEIPT OR DEALER'S BILL WITH UNUSED AMOUNT OF THE CASH ADVANCED TO IMPREST FUND CASHIER.
- STEP 4 - IMPREST FUND CASHIER VERIFIES DEALER'S BILL OR COMPLETED SUBVOUCHER AND RETURNS INTERIM RECEIPT, MARKED "VOID", TO INDIVIDUAL.

Figure 5-16.—Receipt for Cash-Subvoucher, STD Form 1165.

but in no case should reimbursement be made less frequently than once a month if any disbursements have been made.

Ships operating on extended cruises, when no disbursing officer is available, must prepare the

Standard Form 1129 immediately upon return to an area served by a disbursing officer if any disbursements from the imprest fund were made during the period. Figure 5-17 shows a reimbursement voucher with one of the

Standard Form 1129
1129-100-000

REIMBURSEMENT VOUCHER

Voucher No. _____
Schedule No. _____

U.S. Department of the Navy, USS JOHN PAUL JONES DDG-32
(Department, bureau or establishment)

Payer's name: SAC(36) B.S. SEARS
Mailing address: USS JOHN PAUL JONES DDG-32
c/o P.O. San Francisco, Calif. 96601

For payments made on account of official business as per attached subvouchers numbers 18 to 20 inclusive, for the period 2 June 1971 to 8 June 1971 and reclaimed subvouchers numbers _____

AMOUNT
DOLLARS CENTS
95.00

STATES OF FUND
This Voucher 95.00
Unpaid Reimbursement Voucher Dated _____
Unscheduled Subvouchers _____
Interim Receipts for Cash _____
Cash on Hand 5.00
NOT APPLICABLE
BALANCE OF CASH ON HAND _____
Total 100.00

I certify that the disbursements claimed herein are correct and proper, that payment has not been received, and that the status of the fund for which I am accountable is U.S. DDG32
(Date) 9 June 1971
Title SAC(36) USN

Number of reimbursement checks desired _____
in the amounts of _____

Pursuant to authority vested in me, I certify that this voucher is correct and proper for payment.
9 June 1971
A.B. Seares
1.2. SEARES, LT, USN
Authorized Certifying Officer
Supply Officer

FOR USE OF DISBURSING OFFICER

ORIGINAL ONLY TO BE SIGNED BY THE SUPPLY OFFICER OR THE COMMANDING OFFICER

ACCOUNTING CLASSIFICATION (Revised 7-69)

APPROPRIATION SYMBOL AND SUBHEAD	OBJECT CLASS	BURDEN CONTROL AND SUB-ACCOUNT	ACTIVITY	TYPE	PROPERTY ACCOUNTING	CODE CODE	AMOUNT
1701804-702C	000	57017 0	060957	20	852192	000153183283	57.50
						000157184080	14.00
						000157187283	23.50

Pay to check (or) notes _____
Paid by cash \$ _____ (Date) _____
Paid by _____ (Date) _____

IMPREST FUND CASHIER WILL NUMBER EACH VENDOR'S RECEIPT AS A SUBVOUCHER AND ATTACH RECEIPTS

THE TOTAL AMOUNT FOR THIS VOUCHER

THE AMOUNT OF ANY REIMBURSEMENT VOUCHER PREVIOUSLY PREPARED BUT NOT PAID BY DISBURSING OFFICER TO DATE

THE AMOUNT OF THE RECEIPTS HELD BY THE IMPREST FUND CASHIER FOR CASH ADVANCED

TOTAL MUST EQUAL SUM OF MONEY ADVANCED BY DISBURSING OFFICER

ORIGINAL ONLY TO BE SIGNED BY THE IMPREST FUND CASHIER

SHOW COMPLETE ACCOUNTING DATA

DEALER'S BILL USED TO SUPPORT THE REIMBURSEMENT VOUCHER

Standard Form 1148
1148-100

RECEIPT FOR CASH—SUBVOUCHER

(To be used when invoice is not available)

Received in cash from IMPREST FUND CASHIER USS DUARTE (DD-901)
NINETEEN and 85 (19.85) for the following:

QUANTITY	ARTICLES OR SERVICES	AMOUNT
1 EA	Bearing # 73408	16.95
2 EA	Retaining Nuts @ .445	2.90

Vendor Acme Industrial Supply
Address 4474 Business St.
San Diego, Calif.

By P.T. Boat
Title Business Manager
(Do not sign in duplicate)

PURPOSE (Project, etc.) _____

APPROPRIATION AND ACCOUNTING CLASSIFICATION _____

Figure 5-17.—Imprest Fund Reimbursement Voucher, STD Form 1129, with supporting purchase receipts.

purchase receipts for which reimbursement is requested.

The imprest fund cashier prepares the Standard Form 1129 in an original and the number of copies required by the disbursing officer who replenishes the fund. The obligation document number of each transaction is a required entry in the Cost Code column of the Accounting Classification section of the Standard Form 1129. The completed Standard Form 1129, with the original of each paid dealer's invoice or subvoucher and the original of each DD Form 1348 (MVO) attached, is submitted to the disbursing officer. The disbursing officer reimburses the imprest fund cashier for the amount of acceptable dealers' invoices or subvouchers received and furnishes the cashier a paid copy of the Standard Form 1129.

Refunds From Vendors

If a vendor refunds cash erroneously paid before the submission of the Standard Form 1129 covering such payment, the imprest fund cashier must accept the refund, return the money to the imprest fund, and enter the amount of the refund on the original (or copy tendered as the original) of the vendor's receipt. If the refund is made after submission of the Standard Form 1129, the cashier must enter the amount of the refund on his or her retained copy of the form and promptly submit the refund to the disbursing officer.

Records

Recordskeeping for the imprest fund must be kept to a minimum, consistent with the requirement that adequate controls be maintained.

VOUCHER CONTROL.— The imprest fund cashier maintains, in his or her safe, a complete and orderly suspense file of all original sales documents and Standard Forms 1165 for which the imprest fund cashier has not yet been reimbursed. When these vouchers are submitted to the disbursing officer for reimbursement, a retained copy of the Standard Form 1129 is filed in the safe pending reimbursement and return of a paid copy of the Standard Form 1129 from the disbursing officer. The paid copies of Standard Forms 1129 returned by the disbursing officer should be filed in chronological order in the imprest fund cashier's safe and retained for 3 years.

IMPREST FUND PURCHASE LOG.— An imprest fund purchase log must be locally prepared and maintained by the imprest fund cashier to provide a record of each transaction. A recommended format of the log is shown in figure 5-18.

PURCHASE ORDERS

A purchase order is an offer by your ship or command to buy certain supplies and services under specified terms and conditions contained in the order. The purchase order is awarded as a result of a quotation. As has been previously discussed about small purchases, we have gone over the most common forms that are used in making an open purchase. What will be discussed in the following paragraphs is two other types of purchases—the unilateral and bilateral purchase orders.

Unilateral Purchase Order

A unilateral purchase order, which is most commonly used, is an offer by your ship or command to buy certain supplies or services under specific terms and conditions. The contractor accepts the offer by furnishing the necessary supplies or services or by proceeding with the work to where performance has occurred. When you issue a unilateral purchase order the contractor is not legally obligated to perform. The DD Form 1155 is an offer that the contractor may accept by furnishing the supplies or services or by proceeding with the work to a certain point or he can accept the order simply by not furnishing the supplies or providing the services offered.

As the contracting officer you may, at any time before acceptance and by written notice to the contractor, withdraw, amend, or cancel the offer. The procedures for withdrawal and cancellation of purchase orders can be found in the NAVSUPINST 4200.85.

Bilateral Purchase Order

A bilateral purchase order is an offer by your ship or command that the contractor accepts by signature. The contractor is requested to indicate acceptance of a DD Form 1155 by signing in the Acceptance block on the face of the form. The supply officer, or whoever he or she has designated, will sign the DD Form 1155 and forward it to the contractor for his or her

PURCHASE NO.	DATE	DEPT.	NOMENCLATURE	SUPPLIER	AMOUNT	REIMBURSEMENT VOUCHER NO.	OBLIGATION DOCUMENT NO.
16	5/27/83	ENG.	CEMENT, EPOXY	SEARS ROEBUCK, SAN FRANCISCO	18.50	62-70	3147-1796
17	5/29/83	SUP.	TONER	XEROX INC., SAN FRANCISCO	23.00	62-70	3149-1802
18	6/2/83	ENG.	FIRE HOSE NOZZLE	DEF. Co., SAN FRANCISCO	57.50		3153-1832
19	6/6/83	SUP.	FACIMILE STAMPS	MUTH Co., OAKLAND	14.00		3157-1840
20	6/6/83	GUN.	GASKETS	GATES MFG., OAKLAND	23.50		3157-1852

Figure 5-18.—Imprest fund purchase log.

signature. When the contractor signs the form, it creates a contract that is now binding on both parties. The contractor is now legally bound to perform by the terms and conditions of the contract.

When using the bilateral purchase orders they must be made under the following conditions:

- A government-furnished property clause is included in the order.
- The purchase order is classified.
- The order is for mortuary services.
- The order is for foreign military sales.

DISTRIBUTION OF PURCHASE ORDERS

You should develop and maintain a management system for controlling the distribution of purchase orders. You should take action to identify, prioritize, and process these documents to make sure the disbursing office designated to make payment receives the payment copy of the purchase document on or before the date a contractor invoice is received. To prioritize the

document for distribution, you should consider the following:

- Urgency of the requirement
- Payment terms of the order
- Oral/confirming orders
- Fast payment provisions
- Delivery requirements
- Any other factor that may prevent timely processing of the contractors' invoices for payment

When the purchase documents have been confirmed, the issuing activity should distribute the purchase orders within 10 days after confirmation. As an afloat command you should receive the original with the necessary copies. You will retain the original until the material or services have been provided. You will then sign the original and forward it along with the invoice to the disbursing office for payment. A copy of the original purchase should have been forwarded to the contractor and also to the disbursing office from the issuing activity.

